Appendix A.

Relevant Statutes.

General Laws, Chapter 176A.

Non-Profit Hospital Service Corporations.

Section 1. Non-profit Hospital Service Corporations Governed by Chapter; Exemption from Provisions of Insurance Laws. Any corporation organized under the laws of the commonwealth for the purpose of establishing, maintaining and operating a non-profit hospital service plan whereby hospital care may be provided by such corporation, or by a hospital with which it has a contract for such care and which is maintained by the commonwealth or a political subdivision thereof, or maintained by a corporation organized for hospital purposes under the laws of the commonwealth, or such other hospitals as shall be designed by the commissioner of public welfare, to such of the public who become subscribers to said plan under a contract which entitled each subscriber to certain hospital care, shall be governed by this chapter and shall be exempt from all provisions of the insurance laws of the commonwealth, except as otherwise provided in this chapter.

Section 2. Incorporation; Directors; Consent of Commissioners of Insurance and Public Welfare. . . .

Section 3. Contracts for Rendering Hospital Service to Subscribers; Rates. Any corporations subject to this chapter may enter into contracts for the rendering of hospital service to any of its subscribers only with hospitals referred to in section one. The contracts issued and the rates charged by such corporation to the subscribers for hospital care shall at all times be subject to the approval of the commissioner of insurance. All rates of payments to hospitals made by such corporation under contracts provided for in

this section shall be approved prior to payment by the commissioner of public welfare.

Section 4. Annual Statement. . . .

Section 5. Visitation and Examination of Affairs of Corporation; Witnesses. . . .

Section 6. Acquisition Costs in Connection with Solicitation of Subscribers. . . .

Section 7. Investment of Funds. . . .

Section 8. Dispute between Corporation and Hospital; Review of Decisions of Commissioners. . . .

Section 9. Injunction, Receivership and Liquidation. . . .

Section 10. Exemption from Taxation. Every corporation subject to this chapter is hereby declared to be a charitable and benevolent corporation, and its property shall be exempt from state, county, district and municipal taxes.

Section 11. Compensation of Officers and Others. . . .

Appendix B.

State Legislation.

The following state statutes declare non-profit hospital service corporations to be charitable institutions:

California, Insurance Code, sec. 11493-5.
Georgia, Laws of 1937, No. 379, sec. 18.
Illinois, Revised Statutes, 1939, c. 32, sec. 562.
Iowa, Code of 1939, c. 403.1, sec. 8895.15.
Kansas, Laws of 1941, c. 259, sec. 10.
Louisiana, Acts of 1940, No. 267, sec. 1.
Maine, Acts & Resolves of 1939, c. 149, sec. 10.
Maryland, Annotated Code, art. 48A, sec. 243.
Massachusetts, General Laws, c. 176A, sec. 10.
Michigan, Compiled Laws, 1940 Supplement, sec. 10135-132q.

Nebraska, Laws of 1941, c. 43, sec. 13.
New Jersey, Laws of 1938, c. 366, sec. 18.
New Mexico, Laws of 1939, c. 66, sec. 611.
North Carolina, Public Laws of 1941, c. 338, sec. 14.
Ohio, General Code, sec. 669-13.
Pennsylvania, Acts of 1937, No. 378, sec. 8.
Rhode Island, 1939 Acts & Resolves, c. 719, sec. 8. .
South Carolina, Acts of 1939, No. 296, sec. 11.
Wisconsin, Statutes, 1939, c. 180.32(8).

The following states exempt non-profit hospital service corporations from taxation without a declaration of charitable status:

Alabama, General Laws, 1935, No. 544.
Connecticut, 1939 Supplement to General Statutes, c. 192a, sec. 1147e.
Mississippi, General Laws of 1936, c. 177, sec. 6.
New York, Cahill's Consolidated Laws, 1940 Supplement, Insurance Law, art. 9-C, sec. 251(3).
Vermont, Acts of 1939, No. 174, sec. 8.

The following states have enabling legislation which says nothing about charitable status or exemption from taxation:

Kentucky, Acts of 1940, c. 98.
New Hampshire, Laws of 1939, c. 80.
Minnesota, Session Laws of 1941, c. 53.
Texas, General Laws (1939 Session), p. 123.